

**NOT FOR PUBLICATION
UNTIL RELEASED BY
THE SENATE COMMITTEE
ON ARMED SERVICES**

**STATEMENT OF
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UNITED STATES MARINE CORPS
DEPUTY COMMANDANT
MANPOWER AND RESERVE AFFAIRS
BEFORE THE
PERSONNEL SUBCOMMITTEE
OF THE
SENATE ARMED SERVICES COMMITTEE
ON
18 JULY 2001
CONCERNING
MILITARY PERSONNEL ISSUES
(ACTIVE, RESERVE AND CIVILIAN)**

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Mr. Chairman and distinguished members of the Subcommittee:

I am pleased to appear before you today to discuss the many legislative initiatives as they relate to United States Marine Corps personnel--active, reserve and civilian. Our current budget funds 17,888 officers and 154,712 enlisted, and a selective Reserve strength of 4,101 officers and 35,457 Reserve enlisted Marines. Roughly sixty percent of our personnel budget funds manpower programs. The remaining dollars fund such items as Basic Allowance for Housing, Permanent Change of Station relocations, Subsistence and Social Security. The approximately 7 tenths of 1 percent then remaining in the Manpower account pays for discretionary items such as our Selective Reenlistment Bonus (SRB) or College Fund Recruitment programs.

The Marine Corps welcomes the opportunity to discuss various personnel-related legislative initiatives, including their impact on the welfare and mission accomplishment of the Corps. Our greatest asset is our outstanding young men and women in uniform. Your continued support of our Marines and their families has directly contributed to our success.

PAY AND COMPENSATION

In recent exit surveys, compensation is routinely cited as one of the stronger reasons our Marines decide not to reenlist. The \$1B earmarked in the President's budget for a basic pay increase will maintain competitive military compensation. Increases in pay take care of families, bolster morale and give our service members the freedom to focus on their mission.

The President's budget reduces our Marines' Out of Pocket (OoP) expense between current housing market costs and the housing allowance we pay our service members, from a high of 15 to 11.3 percent. We remain on course to reduce OoP expense to zero by 2005. Additionally, the flexibility that Congress provided in the housing allowance rate-setting process was instrumental in addressing the emergent needs of our Marines in southern California. That

is, utility cost increases were forecasted in the fall of 2000, and the 2001 housing rates were adjusted to meet these rising costs.

Enlisted Retention

A successful recruiting effort is merely the first step in the process of placing a properly trained Marine in the right place at the right time. The dynamics of our manpower system then must match skills and grades to our Commanders' needs throughout the operating forces. The Marine Corps endeavors to attain and maintain stable, predictable retention patterns. However, as is the case with recruiting, civilian opportunities abound for our Marines as private employers actively solicit our young Marine leaders for lucrative private sector employment. Intangibles – such as the desire to serve our nation and the satisfaction received from leadership responsibilities provided in our Corps – are a large part of the reason we retain Marines beyond their initial commitment. Concrete evidence of this is seen in our deployed units, which continually record the Corps' highest reenlistment rates. Retention success is also due in part to the investment we make in supporting our operational forces – to give our Marines what they need to do their job in the field, as well as the funds for educating and training these terrific men and women. Although we are experiencing minor turbulence in some specialties, the aggregate enlisted retention situation is very encouraging. Shortages exist in some high-tech Military Occupational Specialties, because these young Marines remain in high demand in the civilian sector.

We are a young force, making accessions a fundamental concern for manpower readiness. Of the 154,000 active duty enlisted force, 108,000 are on their first enlistment with over 23,000 of them still being teenagers. In FY01, we will have reenlisted approximately 27% of our first term eligible population. These 6,069 Marines represent 100% of the Marines we

need to transition into the career force, and marks the eighth consecutive year we will have achieved this objective. On balance, however, we have observed a slight increase in the number of first term Marines we need to reenlist each year. To counter this rising first term reenlistment requirement, we will focus greater attention on retaining Marines in their 8th through 12th years of service. One of the new initiatives we anticipate introducing in FY02 is a Subsequent Term Alignment Plan (STAP), which emphasizes retaining experience. Due to the strong draw of civilian sector opportunity, we must elevate the importance of our career force by paying additional attention as well as resources to keep the experience level of our force on par with previous years. With Congress' assistance, we attack our specialty shortages with the highly successful Selective Reenlistment Bonus (SRB) program. Shortages persist in some highly technical specialties, such as intelligence, data communications experts, and air command and control technicians.

On the whole, we are extremely pleased with our enlisted recruiting and retention situation. The Marine Corps will meet our aggregate personnel objectives and continue to successfully maintain an appropriately balanced force. The proper management between youth and experience in our enlisted ranks is critical to our success and we are extremely proud of our accomplishments.

Officer Retention

Officer retention continues to experience success with substantive improvements in retention having begun in FY00. Our FY01 results continue to reflect an overall officer attrition rate that is closer to historical rates. We attribute the reduction of voluntary separations may be attributed to the congressionally approved compensation triad and the strategic, albeit limited,

use of special pays. As with the enlisted force, we still have some skill imbalances within our officer corps, especially in the aviation specialties.

Although we are cautiously optimistic, pilot retention remains a concern. The FY01 Aviation Continuation Pay (ACP) plan has higher aggregate "take rates" than in previous years. Retaining aviators involves a concerted effort in multiple areas that have been identified as impacting an officer's decision to remain in the Marine Corps. Many FY00 and FY01 retention initiatives have made substantial corrective strides to strengthen the Marine Corps' position toward retaining aviation officers (i.e., Marine Aviation Campaign Plan and pay reform). Supplementary pay programs such as ACP provide an additional incentive. As a result, we anticipate a significant return on our investment from ACP. In FY01 and FY02 we increased ACP by approximately \$4M each year to focus on retaining our mid-grade aviators (junior majors and lieutenant colonels) and will continue to evaluate our aviation retention status.

Overall, the Marine Corps officer and enlisted retention situation is very encouraging. Through the phenomenal leadership of our unit commanders, we will achieve every strength objective for FY01 and expect to start FY02 with a solid foundation. Even though managing our retention success has offered new challenges such as maintaining the appropriate grade mix, sustaining quality accessions, and balancing occupational specialties, we will continue to press forward in order to overcome these obstacles. In this difficult recruiting/retention environment, the so-called "War for Talent," the Marine Corps remains optimistic about our current situation and anticipates that these positive trends will continue.

Marine Corps Reserve

The Marine Corps Reserve continues to make an extraordinary contribution at home and abroad. As part of our Total Force, Reserve Marines augment and reinforce the Active

Component by performing a variety of missions such as providing civil affairs expertise in the Balkans, aviation support in Southwest Asia, and logistics support in Central America. This year, Reserve Marines and units participated in several exercises spanning the globe from Germany, Romania, Egypt, Macedonia, Korea, and Thailand to Australia.

Given that we expect a continued increase in the employment of the Reserve in support of Total Force missions, we must maintain current readiness while ensuring that our resources are available for modernization. Congressional support for increased use of the Reserve has been a key element in providing OpTempo relief and training. Your support permits us to meet commitments that may go beyond the normal two-week annual training period. While the historical Reserve mission to augment and to reinforce our Active Component remains our focus, the demands of this and emerging missions will increase operational challenges and amplify the need to effectively resource the Marine Corps Reserve. With proper planning that takes into account the specific demographics of the Marine Corps Reserve, and with adequate resources, we can do more and still take care of our Marines. We are not yet approaching the limits on the use of the Marine Corps Reserve, but we are watching this closely.

The most sacred honor we can provide veterans is that of a military funeral. The staff members and Reserve Marines at our 185 manned sites performed approximately 5,500 funerals last year, a 45% increase over 1999, and we project a 39-40% increase per year giving us potentially 7,500 funerals to support this year. The steps that Congress took last year to allow Reserve participation at the inactive duty drill rate for funeral honors duty helped us meet this growing obligation. Our current Reserve end strength supports funeral honors at our small sites (where there are less than 10 active duty Marines on staff), not as a primary duty, but as one of the many tasks incident to training and administering the Reserve and providing a military

connection to the local community. The authorization and funding to bring Reserve Marines on 'Active Duty for Special Works' to perform funeral honors has particularly assisted us. As a result of the increase in funeral honors, we have realized increased operations and maintenance costs associated with vehicle maintenance and fuel for transportation of funeral honors duties and for the cleaning and maintenance of dress uniforms. Continued support for military funeral honors funding, in our Military Personnel and Operations and Maintenance accounts, is critical to ensuring mission success in this most worthwhile endeavor.

Our recruiters continue to be challenged to attract and to retain quality men and women in the Marine Corps Reserve as young people are presented with numerous alternatives to military service due to the positive economic growth in the private business sector. During the past fiscal year we achieved 103.4% of our recruiting goal for prior service and 102.5% for non-prior service Marines. It was not easy! Our retention rates for Reserve enlisted Marines who stay beyond their initial obligation are also improving. We do, however, still have some work to do in keeping non-prior service Reserve Marines in a satisfactory participation status for the full length of their obligated drilling commitment. The incentives provided by Congress, such as the MGIB and the Kicker educational benefits, enlistment bonuses, medical and dental benefits, and commissary and PX privileges, have all contributed to the stability of our Force. These incentives and the continued Congressional support have helped us to attract and to retain capable, motivated, and dedicated Marines for the future.

Civilian-Marines

Our almost 15,000 civilian employees, or "civilian-Marines," are key members of the Marine Corps team. We rely on our civilians to provide continuity and technical expertise in the supporting establishment to complement our active duty Marines. The Marine Corps, like other

Federal agencies, is coping with the challenges brought on by an aging workforce and the potential skill imbalances that will occur as our civilians begin to retire in large numbers over the next five years. Accordingly, we are now focusing our efforts on planning for our future workforce, to include a greater emphasis on career development. Toward this end, the Civilian Career Leadership Development program is an initiative being implemented to ensure we train and shepherd our civilian work force. Our goal is to mesh the leadership abilities of our total force into a seamless overall body, both Marines and civilian-Marines.

Marine Families

Our future success relies firmly on the Marine Corps' most valuable asset and its first pillar of readiness – our Marines and their families. In fact, the Commandant of the Marine Corps, General Jones, has made it clear that combat readiness and personal and family readiness are inseparable. As such, we are aggressively working to strengthen the readiness of our Marines and families by enhancing their quality of life (QoL). Our Marine Corps Community Services' (MCCS) many programs and services are being tailored and designed to reach all Marines and their families regardless of geographic location. During the past two years we have made a considerable commitment and investment in building, training, and supporting family readiness teams - comprised of Marines and volunteers - across the Total Force. In short, these teams are vital to our family readiness efforts prior to, during, and after a deployment or mobilization. They are making a difference, and will only strengthen as our program matures. Our MCCS programs also include Chaplain delivered retreats; physical fitness and healthy lifestyle programs; children, youth, and teen support; and continuing education programs just to name a few. Much work remains to extend MCCS programs and services across our Corps of

Marines, but even today MCCA is contributing to us being ready, willing, and able to contribute to the Marine Corps' Total Force effort.

Summary

Young men and women join the Corps for the challenge, for the opportunity to make a difference in the world by serving their country. Our Marines and their families are committed to the Corps' forward presence and expeditionary nature, as evidenced by our continued recruiting and retention success. These successes have been achieved by following the same core values today that gave us victory on yesterday's battlefields. With your support, we can continue to achieve our goals and provide our Marines with what they need to accomplish their tasks. Marines are proud of what they do. They are proud of the Eagle, Globe and Anchor and what it represents to our country. It is our job to provide for them the leadership, resources, QoL and moral guidance to carry our proud Corps forward. With your support, a vibrant Marine Corps will continue to meet our nation's call as we have for the past 225 years!